

Plus500CY Ltd.



# Plus500

## World's Trading Machine

### Client Categorisation Policy



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# Client Categorisation Policy

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This Client Categorisation Policy forms part of the Client Agreement as defined in the User Agreement.

## 1. Introduction

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- 1.1. Plus500CY Ltd. (the “Company”) is authorized and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under CIF licence no. 250/14 and is incorporated in Cyprus under the Companies Law with registration number HE 333382.
- 1.2. This Policy, provides you with information and details on procedures adopted by the Company, pursuant to and in accordance to the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets financial instruments and amending Directive 2002/92EC and Directive 2011/61EU (“MiFID II”) on how the Company classifies its clients into the available categories as defined in applicable rules and regulations.
- 1.3. According to the Investment Services and Activities and Regulated Markets Law of 2017 L. 87(I)/2017 (“the Law”), regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets which transposed MiFID II in to CySEC legislation and CySEC rules, as stated in section 44 of the User Agreement, Plus500CY Ltd is required to categorise all its clients into one of the following three categories: Retail, Professional or Eligible Counterparty.
- 1.4. Plus500CY Ltd currently accepts only Retail clients and Retail clients who explicitly request to be treated as Professional (“**Elective Professional Client**”, “**EPC**”). Moreover, the Company only accepts clients who are individuals and not corporate entities.

## 2. Client Classification Categories

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- 2.1. “**Retail client**” is a client who is not deemed to be Professional client by default or an Eligible Counterparty. It is noted that Retail clients are afforded with the highest level of protection by the Law.
- 2.2. “**Professional client**” is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. Part I of the Second Appendix of the Law provides a list of entities that shall be regarded by default as Professionals.
- 2.3. “**Eligible Counterparty**” is certain entities who are deemed to be Professional clients.

## 3. Request for Re-classification

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- 3.1. Any Retail client can explicitly request to be re-classified/re-categorised and be treated as “Professional client”, hence waive some of the protections afforded by the Law (see section 4 below).





- 3.10. Clients may request for re-categorisation to an Elective Professional Client and/or more information about the other categories via the Trading Platform and/or by contacting us via the “Contact Us” page on our Website.

## 4. Protection Rights

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- 4.1. Protection Rights which Retail and/or Professional clients (including Elective Professional clients) are entitled to by the Law may include and are not limited to the following, as applicable:
- 4.1.1. Retail and Elective Professional clients have an extensive right to receive information from the Company in regards to its provided investment services and financial instruments, fees and charges and offered safeguarding services of client funds.
  - 4.1.2. Retail and Elective Professional clients are requested by the Company to provide information in regards to their knowledge and experience in trading in financial instruments in order to assess the appropriateness of the product or service that will be offered to the customer. On the basis of this assessment, the Company shall warn the Client accordingly on the appropriateness of the product or service offered. For further information on the Assessment of Appropriateness refer to Section 6 of the User Agreement.
  - 4.1.3. Retail and Elective Professional clients are entitled to receive the best possible result for the client’s order (“best execution”) with consideration to factors such as price of financial instruments and the costs related to transmission/execution. Full details of our Order Execution Policy, which makes up part of the User Agreement, can be found on the Website.
  - 4.1.4. Retail and Elective Professional clients receive from the Company all the required regulatory information with regards to the execution of their orders.
  - 4.1.5. Where there may be material difficulties in the proper execution of Retail and Elective Professional clients’ orders, the Company is under an obligation to warn the customers accordingly when such difficulty becomes known to the Company.
  - 4.1.6. The Company is obliged to enter into a written agreement with the Retail and Elective Professional clients, setting out the essential rights and obligations of both parties.
- 4.2. Protection Rights which Retail clients, but not Professional clients (including Elective Professional clients), are entitled to by the legislation, may include and are not limited to the following, as applicable:
- 4.2.1. Retail clients may be entitled to compensation under the Investor Compensation Fund. Professional clients are not entitled to compensation under the Investor Compensation Fund. Full details of our Investor Compensation Fund Policy, which makes up part of the User Agreement, can be found on the Website and Section 24 of the User Agreement.



- 4.2.2. The Company is obliged to and limits the maximum level of leverage on the opening of a position by a Retail client from 1:30 to 1:2, which varies according to the volatility of the underlying asset class. Professional clients are not subject to regulatory restrictions/limitations applying on the leverage levels, as is the case for Retail clients.
- 4.2.3. Retail clients are entitled to and are offered ‘negative balance protection’, as defined in the User Agreement. Professional clients of the Company, despite that are not entitled to, are also offered ‘negative balance protection’.
- 4.2.4. Retail clients are entitled to and are offered ‘margin-close out protection’, as defined in the User Agreement. Professional clients of the Company, despite that are not entitled to, are also offered ‘margin-close out protection’.
- 4.2.5. The Company does not provide any trading benefits including bonuses to Retail clients. Professional clients may from time to time be offered certain trading benefits/award schemes provided that have read and accepted the terms and conditions associated with such award schemes.
- 4.2.6. Retail clients are entitled to receive standardised risk warnings about CFD trading whereas Professional clients are not subject to the standardised risk warnings requirement.



Plus500CY Limited is authorised and regulated by the Cyprus Securities and Exchange Commission, CIF Licence No 250/14.



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